



TO: Mayor & Council Members

FROM: Greg Canally, Deputy Chief Financial Officer *gdc*

DATE: April 1st, 2009

SUBJECT: Process for Securing ARRA (Federal Stimulus) Opportunities for NHCD & HHSD

As part of the American Recovery & Reinvestment Act of 2009 the US Department of Housing and Urban Development (HUD) has already made the following allocations to the City of Austin:

- \$2.0 million in Development Block Grants (CDBG)
- \$3.1 million in Homelessness Prevention and Rapid Re-Housing Program (HPRP)

Even though the City has been allocated this funding, we still must receive approval for intended use of these funds by HUD. Item #40 on tomorrow's Council agenda is part of this approval process, by setting a public hearing on April 23rd to receive citizen comments on a substantial amendment to the City of Austin's Fiscal Years 2004-2009 Consolidated Plan and Fiscal Year 2008-09 Action Plan. This is the first step to apply for the allocated grant funds from HUD as part of the ARRA legislation. Based on public input and feedback, staff will bring forward recommendations for use of these allocated funds at the May 14 Council Meeting. The deadline to submit the substantial amendment for Homeless Prevention Funds is May 18th. While specific application requirements and a deadline for the Community Development Block Grant (CDBG) stimulus funds have not yet been released by HUD, the general guidelines released note that the CDBG application must follow the same Federal and Council-approved Citizens Participation Process as the HRRP funds. Thus, staff will be having a public process that will address both of these HUD programs.

The April 23rd public hearing will expand on Neighborhood Housing & Community Development (NHCD) department's extensive community needs assessment process. From January 1 through March 13, 2009, NHCD gathered input on community priorities to help determine program funding for the Fiscal Years 2009-2014 Consolidated Plan. Public feedback from five public hearings as well as more than 10 stakeholder meetings over the course of three months may be viewed online at www.cityofausin.org/housing. In addition to this public input process, I want to share with you processes underway to assist as we plan the best use of these stimulus funds.

Community Development Block Grant (CDBG)

The City of Austin utilizes CDBG funds to administer affordable housing programs for low-income residents and programs for eligible small business owners and commercial revitalization efforts. NHCD will work with the Community Development Commission (CDC) at their April 14th meeting to brief them on federal and city requirements for the funding and to establish CDC's criteria for staff to evaluate potential projects eligible for this additional \$2 million in CDBG funding. We will present these criteria at the April 21st meeting of Council's Public Health & Human Services sub-committee. Once these criteria are established, the City will solicit ideas from the community for how to best allocate this funding via the City website. Staff will evaluate the public submission of ideas based on the established CDC criteria as well as Federal requirements included in the ARRA legislation. We expect to post the online call for ideas towards the end of April. The community will also have an opportunity to provide feedback regarding the use of funds at the April 23rd City Council public hearing and through written comments. Based on this community input, and by applying the CDC criteria and Federal requirements, staff will make a recommendation to City Council at the May 14th meeting. The CDC will have an opportunity to make its recommendation prior to that meeting.

Homelessness Prevention and Rapid Re-Housing Program (HPRP)

HUD's Homelessness Prevention and Rapid Re-Housing Program (HPRP) will provide funding to prevent individuals and families from becoming homeless, divert people from emergency shelters into appropriate housing and quickly move homeless individuals/families into permanent housing. Over the next couple of weeks, the Health and Human Services Department (HHSD) will meet with key stakeholders, including the Basic Needs Council, Ending Community Homelessness Coalition (ECHO), and Travis County to review a plan to allocate the \$3.1 million in funding. At the April 21st Council Public Health & Human Services sub-committee, staff will present this draft recommendation. In addition to this meeting, the community will have an opportunity to provide comment on this draft recommendation at the April 23rd public hearing. As with the CDBG funding, the CDC will review a final recommendation, which will be made to City Council at the May 14th meeting.

This effort, combined with the existing input we have received over the past several months, will allow for the City to maximize community input on this process, and at the same time ensure we meet the accelerated Federal timelines for securing this funding. I have attached a summary schedule of the effort just outlined.

Future Funding Opportunities

In addition to these formula-driven funding awards, HHSD will also be pursuing several other ARRA funding opportunities including competitive grants for Women's Infants & Children program (WIC), the Prevention and Wellness Fund, and Health Information Technology. HHSD will also receive formula-driven Community Services Block Grant (CSBG) stimulus funding from the Texas Department of Community Affairs. CSBG provides funding to the City Neighborhood Centers. Since the City already receives funding from these sources, any additional funding we receive as part of ARRA would go to enhance the existing services for the at-risk populations served. Timelines and

guidelines for these programs are still being developed by the Federal government. We will keep the Council apprised of the City's efforts to pursue this funding.

Finally, at the April 23rd Council Meeting, there will be a staff briefing and overview of Austin's entire Stimulus Program. I am available for any questions or comments you have about this process for the CDBG and HPRP programs, or our overall stimulus program efforts.

xc: Marc A. Ott, City Manager
Assistant City Managers
Anthony Snipes, Chief of Staff
Leslie Browder, Chief Financial Officer
David Lurie, HHSD Director
Margaret Shaw, NHCD Director

Process/Timeline for Securing ARRA (Stimulus) Funding for NHCD & HHSD

April 2, 2009: Set a public hearing to hear public comment regarding the substantial amendment to the City of Austin's Fiscal Years 2004-2009 Consolidated Plan and Fiscal Year 2008-09 Action Plan

Early April: Meet with Stakeholders to discuss allocation plan for HPRP funding

April 14: Community Development Commission meeting to discuss criteria for use of CDBG funding

April 20 – May 1: Public comment period regarding the substantial amendment

April 21: Council Sub-committee on Public Health and Human Services

April 23 : Austin City Council public hearing regarding the substantial amendment to the City of Austin's Fiscal Years 2004-2009 Consolidated Plan and Fiscal Year 2008-09 Action Plan

April 23 – May 1: Online submission of ideas related to CDBG funding

May 12: Community Development Commission finalizes recommendations to Council related to American Recovery and Reinvestment Act of 2009 (ARRA) funding

May 14: Austin City Council action on the substantial amendment to the City of Austin's Fiscal Years 2004-2009 Consolidated Plan and Fiscal Year 2008-09 Action Plan

May 18: Application for grant funds related to CDBG funding and Homeless Prevention funds submitted to HUD